



ROBIN J. VOS

STATE REPRESENTATIVE • RACINE COUNTY

**Legislative Oversight of Off-Reservation Casinos
Assembly Bill 205
Assembly Urban and Local Affairs Committee
April 3, 2007**

Chairman Gottlieb and members of the Assembly Urban and Local Affairs Committee:

Thank you for holding a hearing on Assembly Bill 205, which specifies that once an off-reservation Indian gaming facility is approved by the U.S. Secretary of Interior for construction in Wisconsin, it must come to both houses of the state legislature for final approval.

Under current law, the governor alone has the sole discretion to approve or reject construction of off-reservation gaming facilities in Wisconsin. This legislation is identical to 2005 Assembly Bill 461, which passed both houses with bipartisan support, but was ultimately vetoed.

One of the most persuasive arguments for this legislation came from Governor-Elect Jim Doyle in December, 2002.

"It seemed to me that the question of off-reservation gambling in particular is one that the state legislature should decide, because that's really a large policy decision for the state...And I thought that that's the area in particular where the Legislature, as the elected representatives of the people, ought to have some say."

~ Governor-Elect Jim Doyle (12/30/2002) Wispolitics.com ~

The public overwhelmingly supports legislative oversight of off-reservation casinos. A poll just completed last month indicates that 76% of Wisconsinites support the legislature having final approval of off-reservation casinos. That number broken down shows that 53% strongly support oversight while 23% somewhat support it. By contrast only 12% strongly oppose and 8% somewhat oppose the measure. The poll also showed that support for the proposal was not dictated by regional lines, or even by party affiliation.

While this poll obviously tells us the people of Wisconsin strongly support this reform, the most important reason I hope you support this legislation is to provide checks and balances and increased transparency in the process. I strongly believe that more than one branch of government should be involved in granting approval for these controversial projects.

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63rd Assembly District

Currently when a state employee contract is up for consideration, the governor negotiates the deal and then sends it to the state legislature for ratification. There is no requirement to negotiate with 132 of us as detractors have said this bill would do. It just insures that the process is open, accountable and ultimately transparent. Approval of off-reservation casino gambling should be no different.

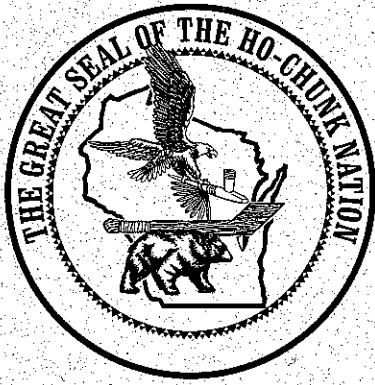
Including legislative oversight of gaming decisions is not a new concept. In fact at least nine other states with tribal gaming (including our neighbors of Minnesota and Michigan) include the state legislature in some fashion with compacting issues which includes legislative involvement in off-reservation casino decisions.

I believe these states actually have much more legislative involvement in off-reservation casino decisions than AB 205 proposes. As you can see, this legislation is sensible and it would bring Wisconsin more than in line with other states that have tribal gaming.

In the last twenty years, tribal gaming in Wisconsin has grown into a huge business. No longer are casinos limited to a bingo hall and a few slot machines on traditional tribal lands. They are now turning into multi-million dollar operations expanding into off-reservation communities. This growth of the tribal gaming industry means that the public policy issues surrounding it have changed and grown in scope and impact. With this rapid expansion, and potentially larger projects to come in the future, the decision making for Wisconsin citizens should not rest with a single elected official. The legislature, as the direct representatives of the people of this state, needs a role in these important policy decisions.

This legislation doesn't affect current gaming, eliminate future off-reservation casino proposals or force the tribes to negotiate with 132 people. What it does do is allow two branches of government to have a say in what happens in their communities – just as we do with almost every other important public policy decision in our state. It insures that taxpayers statewide get a fair deal and codifies the notion of balance and the perception of good government across these statewide entities.

I would be happy to answer any questions you might have.



HO-CHUNK NATION LEGISLATURE

Governing Body of the Ho-Chunk Nation

HO-CHUNK NATION COMMENTS ON ASSEMBLY BILL 205

AB 205 provides that the Wisconsin Legislature must concur by Joint Resolution prior to the Governor concurring with the Secretary of the Interior on an off-reservation gaming site.

The Ho-Chunk Nation greatly respects the role of Wisconsin State Legislators and their desire to have input into the off-reservation siting process. The Nation welcomes a thoughtful dialogue on this issue.

New federal regulations that will address off-reservation gaming are currently under consideration in Washington. It is our hope that these new regulations will clarify under what circumstances or where an off-reservation gaming facility should be allowed or prohibited. In considering legislation related to the off-reservation gaming issue, the Nation would support a discussion regarding the following:

1) Placing a moratorium on any additional siting of an off-reservation gaming facility in Wisconsin until the federal regulations regarding off-reservation gaming are promulgated.

Federal regulations regarding off-reservation gaming are currently being considered in Washington. Enacting a moratorium would allow time for legislators, administration officials and tribal governments to study the off-reservation gaming issue, including the upcoming proposed federal regulations. It may also be helpful to convene a bi-partisan panel or a Legislative Council study committee to assess the status of off-reservation gaming in Wisconsin.

2) Provide objective criteria to the process of siting an off-reservation gaming facility.

Possible objective criteria that may be considered could include: Distance of the proposed facility from the tribal government's reservation; distance from current gaming facilities; negative impact on revenues of nearby gaming facilities (including loss of jobs); and market saturation of an overly concentrated gaming economy in one area.

For example, the proposed Beloit Casino will further saturate an already saturated gaming economy in and around Beloit. There are 27 gaming facilities offering 33,240 slot and video machines and almost 1,130 table games within a 200 mile radius of the proposed Beloit Casino.

In summary, the Ho-Chunk Nation would encourage a dialogue on possible legislation that would clarify when, where or under what circumstances an off-reservation gaming facility should be allowed in Wisconsin. The Ho-Chunk Nation would support a moratorium on additional off-reservation gaming sites in Wisconsin until federal rules are promulgated. The Nation would also support the application of objective criteria to the process.

Executive Offices

MB

MILWAUKEE BUILDING & CONSTRUCTION TRADES COUNCIL

TC

LYLE A. BALISTRERI
President

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April 10, 2007

WI State Assembly Committee on Urban & Local Affairs
Attn: Rep. Mark Gottlieb & Committee Members
Room 309 North
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Rep. Gottlieb and Committee Members:

I was unable to attend your hearing on April 3rd regarding AB-205, but I am writing to you on behalf of 20,000 working men and women in Southeastern Wisconsin who belong to the Milwaukee Building & Construction Trades Council and who value good paying, family-supporting jobs and positive economic development in our part of the state.

As president of the Council, I can tell you that we are opposed to AB-205, a state legislative bill that would effectively kill the proposed Kenosha entertainment center and casino.

We cannot support a measure that by its very design creates an unnecessary roadblock for the Kenosha project, which has already successfully completed numerous and necessary local and federal approvals, including two successful referendums.

The Kenosha entertainment center and casino represents economic opportunity for thousands of people in our region. The economic opportunity comes in the 3,000 + permanent jobs it would bring to hardworking families, and the billions of dollars it would provide to state and local governments, schools and charities. The Menominee Indian Tribe, one of the largest and poorest tribes in the state, has also shown great respect for our local workers.

AB-205 is bad for Kenosha, bad for our region and bad for the State of Wisconsin. The bill would put up legislative obstacles rather than build bridges to encourage economic development. At the Milwaukee Building & Construction Trades Council, we build buildings and believe in projects that bring good paying jobs to our area workers. AB-205 will rob our communities of that opportunity. AB-205 is simply a bad piece of legislation that needs to be tabled and never brought to a vote.

Sincerely,

Lyle Balistreri
President, Milwaukee Building & Construction Trades Council

CC: Milwaukee Area Legislators

The Menominee Indian Tribe of Wisconsin



AB-205 WOULD ADD PRACTICALLY IMPOSSIBLE ROADBLOCK TO EXTREMELY DIFFICULT FEDERAL PROCESS

Assembly Bill 205

Testimony of Laurie Boivin

Vice-Chairperson, Menominee Indian Tribe of Wisconsin

April 3, 2007

Thank you, Chairman Gottlieb and committee members, for the opportunity to speak to you today. My name is Laurie Boivin and I am the Vice-Chairperson of the Menominee Tribal Legislature. I am here to speak against AB-205. As you know the Menominee Indian Tribe is seeking to conduct off-reservation gaming in Kenosha, Wisconsin, which is part of our ancestral lands. Our Tribe began this process in early 2003 when it began to draft its application to the Bureau of Indian Affairs that was filed in July of 2004.

The process in place for conducting off-reservation gaming pursuant to the two-part determination process that is the subject of AB-205 is a long and difficult one. Although there has been a lot of talk around the country regarding an epidemic of off-reservation gaming, the fact is that in the almost 20 years since the passage of the Indian Gaming Regulatory Act, only three Tribes in the nation have successfully negotiated the two-part determination process and opened an off-reservation casino. One of those Tribes is the Forest County Potawatomi, which successfully obtained an off reservation casino in the Menomonee Valley, which is part of our ancestral lands. The fact that only 3 Tribes have done this is not for lack of trying, but is a testament to the difficulty and thoroughness of the process already in place.

Passage of AB-205 would only serve to add a practically impossible roadblock to this extremely difficult federal process.

I have been involved in our Tribe's Kenosha Project since 2003 and would like to try and briefly explain the process we have been following.

The Indian Gaming Regulatory Act prohibits Tribes from conducting gaming on any lands acquired by the United States in trust for an Indian Tribe after 1988 unless it meets certain exceptions. The Menominee Tribe's application is made pursuant to the two-part determination provision of the Indian Gaming Regulatory Act (25 U.S.C. §2719(b)(1)(A)) which requires the Secretary of Interior to determine that the Casino project is in the best interest of the Menominee Tribe, and is not detrimental to the Kenosha community, and that the Governor of Wisconsin concur in that determination.

As a practical matter, this means that the United States will not accept land into trust unless the local community where that land is located is in favor of the Tribe doing so. The Menominee Tribe spent months negotiating with the City and County of Kenosha to come to an agreement as to how our Tribe could conduct gaming in such a way that it would not be harmful to the Kenosha community. The agreements reached between the parties were subject to numerous City and County hearings and our Tribe's proposal was the subject of a Countywide referendum. We also were able to reach agreement with the City and the County, and the referendum showed overwhelming support of the Tribe's project.

In making its decision on whether or not to approve the project, the Bureau of Indian Affairs is required to conduct an extensive environmental review and issue an Environmental Impact Statement. The Bureau of Indian Affairs, Midwest Regional Office has spent almost three years drafting the environmental impact statement regarding the Tribe's Kenosha Project, finishing it in November of 2006 and forwarding it to Washington D.C. for review. The environmental impact statement is thousands of pages long, and studied many things, including:

- Impact on land resources including topography, soils, and mineral resources.
- Impact on water resources including surface water drainage and flooding, and water quality.
- Impact on air quality
- Impact on biological resources
- Socio-economic impacts including, impact on jobs, housing, schools, problem gambling, local governments, and nearby Indian tribes like the Forest County Potawatomi
- Impact on transportation
- Impact on archeological and cultural resources

The process of drafting the Environmental Impact Statement also required public hearings and an opportunity for the public to comment on the project.

Our Tribe has also spent a great deal of time and effort to document why we need this off-reservation casino. Menominee County, which is located entirely within the Menominee Reservation, ranks last in the State of Wisconsin for persons living in poverty (32.10%), last in the State of Wisconsin for children living in poverty, and last in the State of Wisconsin for health outcomes (72 out of 72 counties). The income that our Tribe will generate from an off reservation casino will be used to address these issues.

The process in place is a thorough one, and our Tribe has followed it faithfully. It is unfair to change this process now, as AB-205 seeks to do. AB-205 is part of a line of proposed legislation and regulation whose effect is to stop Tribes from engaging in off-reservation gaming. Last year in both the United States Senate and the House of Representatives, legislation was introduced that would eliminate or severely limit the right of Tribes to engage in such gaming. This legislation was encouraged, requested,

and supported by wealthy Indian Tribes and commercial gaming interests that were not concerned with whether these off-reservation casinos would help the applicant Tribe, or harm the local community, as the Indian Gaming Regulatory Act requires. These groups were concerned with protecting their profits. This proposed legislation was stopped; however, the proponents of that legislation have not stopped. They now seek to accomplish their goal through federal regulation, or through state legislation.

I do not doubt the sincerity of this Committee or the legislators who support AB-205, however, whatever the intent of the Bill is, its effect will be to help wealthy Tribes, like the Forest County Potawatomi, and out of state commercial gaming operations. It will harm poor Tribes, like mine, the Menominee, and local governments that have been diligently pursuing off-reservation gaming in accordance with the current legal requirements.

Although I strongly urge you not to pass AB-205, I also strongly urge you to speak with representatives of our Tribe and the Kenosha community to learn more about the Menominee proposal. We are glad to meet with you and your committee, or any Legislator at anytime to discuss our project. We would be happy to do this in Madison; however, the best way to learn about the Menominee is to visit us on our homeland. We encourage and invite you to do this. We welcome the opportunity to discuss how our project will:

- Benefit the State government through millions in annual payments and increased tax revenue;
- Benefit the City and County of Kenosha governments through millions in annual payments;
- Benefit the schools in Kenosha and on the Menominee Reservation through millions in annual payments;
- Benefit the people of Wisconsin through the creation of thousands of new permanent jobs with excellent wages and benefits and the right to organize;
- Benefit the people of Wisconsin through the creation of thousands of construction jobs with local preference in contracting, and a Project Labor Agreement ensuring union labor
- Provide millions of dollars to the Menominee Tribe to help meet the needs of our people; and
- Not harm Milwaukee

In conclusion, changing the rules mid-game - after four years of intense, costly, painstaking work and with the finish line in sight, jeopardizes the entire project and dims our Tribe's hope for a better future. It also insults Kenosha voters who have strongly demonstrated their support of our project. Please vote against AB-205. Give the Menominee Tribe the opportunity to continue our efforts to improve the lives of our members, as well as contribute to and benefit the State of Wisconsin.

Thank you for your time.



JIM KREUSER

State Representative • 64th Assembly District

DEMOCRATIC LEADER-WISCONSIN STATE ASSEMBLY

TO: Members of the Assembly Committee on Urban and Local Affairs
FROM: Representative Jim Kreuser
DATE: April 2, 2007
RE: Assembly Bill 205, requiring legislative approval to locate a gaming establishment on certain lands taken into trust for the benefit of Indian tribes.

Dear Committee Members,

I am writing to you today to express my concern with 2007 AB 205 relating to legislative oversight of off-site tribal gaming.

This proposal would have an adverse impact on the Menominee Entertainment Center and Casino project which would be located in Kenosha, as well as other projects presently in the approval process in that it would unquestionably politicize on the state level a process that is designed as federal and local in nature.

The proposed Kenosha project has been approved by City of Kenosha referendum in 1998 and by county-wide referendum in 2004. Recently, the Midwest regional office of the Bureau of Indian Affairs approved the project. At this juncture, the City and County of Kenosha are awaiting the Bureau of Indian Affairs' final approval.

The Menominee is the poorest Native American tribe in Wisconsin. The Kenosha project would offer great financial improvement and opportunity for the tribe. It will create over 1,125 full-time jobs with an average income of \$48,097 including benefits in its temporary phase alone. By 2010, the facility is expected to have over 3,356 full-time employees with an average income of \$45,587 including benefits.

The intergovernmental agreement reached between the City and County of Kenosha and the Menominee Tribe will provide an estimated \$521 million in payments over the first 22 years of operation to cover services such as fire protection, law enforcement, sewer and water, and even compensation for property tax exempt status. The agreement also contains: a \$5 million up-front contribution from the Menominee to help support Kenosha's cultural and charitable programs including our public museums and assistance to the homeless; a substantial gift from the Menominee of \$2.5 million annually to Kenosha County schools; as well as a comprehensive responsible gaming policy and program that the Menominee will enact to promote responsible gaming and prevent problem gambling.

Furthermore, the Menominee Entertainment Center and Casino is expected to provide a \$600 million jolt to the Kenosha area economy. Coupled with good paying job creation, this project is a benefit to all of Wisconsin.

It is patently unfair to change the rules of the game as it relates to Kenosha and other communities such as Beloit and Shullsburg. If this bill is not amended to accommodate these projects that have already demonstrated substantial local support, it should not be supported.

Thank you for your consideration.

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State Representative • 64th Assembly District

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FAX: (608) 282-3664 • **Toll-Free:** 1-888-534-0064 • **E-MAIL:** Rep.Kreuser@legis.state.wi.us
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Joe Davis, Sr.
Alderman, 2nd Aldermanic District



CHAIR

• Community and Economic Development Committee

MEMBER

• Finance and Personnel Committee
• Steering and Rules Committee
• National League of Cities' Community and Economic
Development Policy and Advocacy Steering Committee

April 2, 2007

Representative Gottlieb
Wisconsin State Legislature
Chairman, Committee on Urban and Local Affairs

Dear Mr. Chairman,

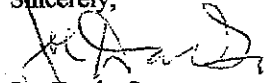
A number of years ago when I first heard discussions about an \$800 million casino in Kenosha, I became concerned about the impact of that casino on Milwaukee's economy. The Kenosha developers talked about hotels, convention facilities, water parks, golf courses, along with the gaming facilities.

As a result of the concern of this casino's impact on Milwaukee, the Community and Economic Development Committee conducted an economic impact study. That study concluded that Milwaukee could lose 2,000 existing jobs. According to the study, minority employment would be especially hard-hit in addition to local government revenues, tourism, and charitable contributions would suffer. With Milwaukee's high unemployment data, excessive high crime rate, and a unacceptable high school dropout rate, the proposed Kenosha casino and its economic impact on the City of Milwaukee has to be carefully considered.

The results of this study were forwarded to the Bureau of Indian Affairs (BIA) but unfortunately, the BIA has ignored Milwaukee in its analysis of the proposed Kenosha casino. Despite the economic impact study and repeated request from the Milwaukee community, business and elected leaders for a thorough review of the expected impacts on Milwaukee jobs and businesses, the BIA has created an unstable economic environment.

Where the BIA at the federal level has failed in acknowledging Milwaukee and other neighboring communities, Wisconsin at the state level should not make the same mistake. I urge you to consider the issues outlined in Assembly Bill 205. I have full confidence that Governor Jim Doyle, in making any decision, would be fair and open minded. However, it is possible that Jim Doyle may not always be Governor of this Great State.

Sincerely,


Joe Davis, Sr.
Alderman, 2nd District
City of Milwaukee



COUNTY OF KENOSHA COUNTY EXECUTIVE

Allan K. Kehl, County Executive

1010 – 56th Street
Kenosha, Wisconsin 53140
(262) 653-2600
Fax: (262) 653-2817

The Kenosha community has spent 6 years working with the Menominee Nation to bring a casino here to Kenosha County. We have worked with our Local and State Representatives and State Government on protocol, policy, and procedures for the last 2 years.

We are comfortable with the current legislation that permits the Governor to sign all such casino agreements. The Regional Office of the Federal Bureau of Indian Affairs approved the project after approximately one year of review and the project is now in the Bureau's Washington office where the review continues and possible overall approval could be made. Our community has passed two referendums in support of the casino with full knowledge of the review and approval process by our state government.

We question the need for AB 205 and we ask what purpose this piece of Legislation could possibly serve??? We oppose such Legislation. We find it interesting that after so many years a change is now necessary!!!

**Allan K. Kehl
Kenosha County Executive**

**John Antaramian
City of Kenosha Mayor**

Jeff Crawford Testimony
Assembly Urban and Local Affairs Public Hearing
Assembly Bill 205
April 3, 2007

Good morning Chairman Gottlieb and committee members.

I am Jeff Crawford, a Forest County Potawatomi Community member and the Attorney General for our Tribe.

Thank you for the opportunity to offer testimony today.

The Potawatomi support AB 205.

The decision to allow or not to allow off-reservation casinos is a major policy decision with impacts throughout the state that should be shared by many decision makers, not just one. AB 205 implements a basic tenet of good government – the system of checks and balances.

Before I discuss the merits of the bill I believe it is important for you to have a brief history of the Potawatomi.

The Forest County Potawatomi is one of eight bands of the Potawatomi Nation. The Potawatomi historic homelands are well documented by treaties and historians. We hunted, fished, farmed and lived along Lake Michigan from Green Bay and Door County to Chicago, and though Northern Indiana and Michigan.

After the 1833 Treaty of Chicago, the United States Government attempted to force the Potawatomi living east of the Mississippi River to the Indian Territory in the west. So many of my Potawatomi relatives died during this forced march west that it has become known as the "Trail of Death."

Some Potawatomi, however, refused to go west. They escaped to northern Wisconsin where they lived deep in the woods, hiding from government agents. These Potawatomi are the ancestors of today's Forest County Potawatomi Community.

Today, the Potawatomi are the largest employer in Forest County, providing 800 jobs through our tribal government, health care center, casino and other businesses.

We also own and operate Potawatomi Bingo Casino in Milwaukee where the Tribe provides almost 2100 Milwaukee area residents with family supporting jobs with benefits. Many of our Milwaukee workers are from areas of the City with the highest poverty and unemployment rates in Wisconsin.

It is important to note that Milwaukee is squarely and undoubtedly within Potawatomi historic homelands.

Our Milwaukee business started operating in the early 1990's. At this time, Indian gaming was a small industry mainly comprised of bingo halls in temporary warehouse-like buildings.

Indian gaming has now grown into a large industry nationwide. This significant growth, and the potential for more, has lead to a frenzy of new Indian casino proposals for off reservation lands across the nation and right here in Wisconsin. Many of these proposals are being driven by non-native developers and out-of-state gaming interests looking to exploit Indian gaming to locate casinos off Indian lands.

The Potawatomi are not opposed to off-reservation gaming. However, the Tribe believes there is a right and wrong way of locating off-reservation casinos.

Despite the flurry of off-reservation casino proposals there is little in the way of uniform federal or state standards and regulations to evaluate these proposals. For example, federal officials do not take into consideration a tribe's historical connection to the lands where it wants to locate a casino.

Realizing the lack of meaningful federal and state standards, the Potawatomi established an off-reservation gaming policy in 1999 to help it evaluate these proposals.

The Potawatomi policy remains unchanged, and states that any new off-reservation casino should: 1) Be located on lands historic to the tribe proposing the casino 2) Result in an overall economic benefit for Wisconsin tribes; 3) Not merely serve as a front for non-Native American promoters.

Since 1999, we have been working for tribal, state and federal governments to adopt a similar set of clear and consistent regulations. Unfortunately, there is still no national or state policy on off-reservation casinos.

Which brings us to the bill before us today.

Wisconsin's current law is not fair. A Governor, past, current or future should not be burdened with being the sole decision maker without any input from the legislative body.

Legislators should have a voice on policy decisions that could directly affect their districts. Legislators especially deserve a voice when the federal government has a record of ignoring impacts of proposed casinos on neighboring communities. For example, the federal review process of the proposed Kenosha casino has dismissed any potential impacts on Milwaukee jobs despite repeated requests by community and elected leaders in Milwaukee. Milwaukee deserves to have its voice heard and legislative involvement in the state decision gives Milwaukee that opportunity that the federal process has ignored.

Another important consideration in this debate is the question of the impropriety that has been associated with off-reservation casino projects. For example:

- An off-reservation casino proposal for Hudson in the '90s resulted in an investigative hearing before the United States Senate and the appointment of special counsel to investigate the Secretary of the US Department of Interior.
- An effort to open an off-reservation casino in Kenosha in the late '90s was found to be led by a Chicago developer who had past business dealings with two organized crime figures.
- Michael Chapman, a Menominee legislator from 2003-06, was paid \$271,000 by convicted federal lobbyist, Jack Abramoff, while he was on the Menominee legislature and during the time the Menominee and Mohegan were pushing the proposed Kenosha casino.

These examples demonstrate the need for checks and balances in state law on off-reservation gaming.

Contrary to what some will try to tell you, AB 205 does not ban off-reservation casino projects. In fact, the legislatures in Michigan and Washington recently took part in the decision to open new casinos in those states.

Furthermore, having the state legislature involved gives a casino project another outlet to make its case when a governor is unilaterally opposed. For example, having the legislature involved in the state decision making process would have given those promoting an off-reservation casino in Hudson a chance to make their case when former Governor McCallum unilaterally denied the Hudson proposal in 2001.

Additionally, being an attorney with years of experience with the complexities of federal Indian law, I can attest to AB 205 being consistent with federal Indian gaming law. Federal law allows the Secretary of Interior to approve gaming applications for off-reservation Indian casinos, but only if the governor of the state concurs. When the governor decides whether or not to concur he is acting as an official of the state and he is bound by and acting under state law. Former Wisconsin Attorney General Lautenschlager successfully argued this exact point on behalf of Governor Doyle before the 7th Circuit in 2003.

Lastly and maybe most importantly, voters support legislative involvement. The Potawatomi commissioned a February 2007 statewide survey by well respected Democratic and Republican pollsters. The results were overwhelming. Over 70% of voters support legislative involvement while only 20% oppose. These overwhelming numbers in favor of legislative involvement with off-reservation casino decisions was consistent across party lines and throughout every media market in Wisconsin, including those markets where off-reservation casinos have been proposed.

Again, thank you for the opportunity to testify today and I would be happy to try to answer any questions you might have. Thank you.

Testimony Opposing Assembly Bill 205

Submitted by the St. Croix Chippewa Indians of Wisconsin

April 3, 2007

Assembly Committee on Urban and Local Affairs

Good Morning, Mr. Chairman and members of the committee. My name is Lewis Taylor. I am Vice-Chairman of the St. Croix Chippewa Tribal Council.

The Indian Gaming Regulatory Act (IGRA) specifies that the Secretary of Interior may approve an application for a casino located on post-1988 reservation land and take that land into trust for gaming purposes if he/she makes a determination that the application is in the best interest of the tribe and is not detrimental to the surrounding community. The IGRA explicitly states the governor of the state in which the site is located is entrusted with making a final decision on the proposal based on the IGRA standards. This bill would preempt federal law.

We oppose AB 205 for the following reasons:

- The St. Croix Chippewa and the Bad River Band of Lake Superior Chippewa have been development partners in siting a casino and related development in Beloit since 1999.

The tribes have seven years and several million dollars invested in this project for land options, studies, contractors and staff time. If this bill were to become law, it would increase these costs and could destroy tribal investments in the project.

- The bill creates a conflict between state and federal law that will probably be challenged in court, creating delays.
- AB 205 requires the legislature to approve off reservation projects prior to the governor's approval. The legislature would be required to make findings set forth in the Indian Gaming Regulatory Act. No guidelines or time-lines exist for either the gubernatorial or legislative process, and both could be burdensome. Will the legislature conduct its own economic studies? Will it perform an environmental impact statement?

No one knows the answer to those questions.

- **By and large, local governments determine economic development in their communities. AB 205 vests decision-making powers over local development issues in the legislature, thwarting the wishes of the community and its voters.**

Beloit is a city with chronic unemployment, whose manufacturing base has significantly deteriorated over the last 20 years. Half of its budget relies on state aid; it shoulders crushing employee retirement and health care liabilities.

The tribes have long-standing revenue sharing agreements with the City of Beloit and Rock County. The intergovernmental agreement provides for reimbursement of city services, and \$145 million revenue sharing over ten years. The tribes will pay property taxes on 34 acres non-casino property. The local agreement also provides for \$350,000 yearly in charitable donations and for a problem gamblers program.

Beloit voters approved the casino project in a 2000 referendum by 61% of the vote. Written public comments to the Bureau of Indian Affairs on the Environmental Assessment submitted to the BIA demonstrated significant public support (1664 support; 142 oppose). Earlier this year, public comments on the more recent Environmental Impact Study revealed continued support (280 support; 10 oppose).

The project will provide very attractive benefits to Beloit and the surrounding area. The construction project alone will cost at least \$200 million, generate 1500 jobs and a \$62 million payroll.

When completed, the Beloit project will generate 3000 jobs, and an \$81 million payroll with benefits. Five million estimated annual visitors could generate over \$134 million in non-casino business, potentially creating 2200 additional jobs with a \$52 million payroll.

Statewide, induced economic output is expected to reach \$220 million, creating 3100 additional jobs and a \$79 million payroll.

If any other business came to Wisconsin and offered 9800 jobs with a taxable payroll of \$274 million, state government would throw out the welcome mat, not try to block commercial development and threaten the principals' investment.

Finally, AB 205 favors the two wealthiest tribes in the state over economically struggling tribes. Chairwoman De Perry, addressing the legislature a month ago, said gaming was "tearing us apart." This is what she meant.

Some tribes are located in more populous areas of the state and their casinos earn far greater revenues than those located in less populous areas. In Milwaukee, the Potawatomi have had an "off-reservation" casino in Wisconsin since 1992, which generates in excess of \$300 million a year. The Red Cliff, located at the tip of the Bayfield peninsula, have a casino that generates in the low six digits a year.

Pervasive poverty still exists on the majority of reservations in Wisconsin. Those tribes that still have not realized significant benefits from Indian gaming want a better opportunity to provide better services and a better quality of life for their communities.

All these tribes want is a better location for their casinos—a place where there is market demand. Better casino locations would benefit the entire state by stimulating the tourism economy, creating more jobs and more taxable commercial activity.

This bill would thwart that effort. It is not here to help us, and it is not here to help Beloit, Kenosha, and Shullsburg.

Thank you Mr. Chairman and members for your attention.

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Testimony Opposing Assembly Bill 205

Bad River Band of Lake Superior Tribe of Chippewa Indians

April 3, 2007

Assembly Committee on Urban and Local Affairs

The Bad River Band of Lake Superior Tribe of Chippewa Indians submit these written comments as a declaration of our strong opposition to Assembly Bill 205. Assembly Bill 205, if enacted, is anti-employment, anti-development, anti-competitive and ultimately, anti-American. By recognizing Assembly Bill 205 for what it stands for: a road block to progress in areas of Wisconsin that desperately need economic growth. This bill inserts more bureaucratic requirements into an already heavily regulated and heavily bureaucratic process. Nothing is better improved, better streamlined or newly protected if Assembly Bill 205 is enacted into law.

The Indian Gaming Regulatory Act specifies that the Secretary of Interior may take land into trust for gaming purposes if he/she makes a determination to the surrounding community. The IGRA explicitly states the governor of the state in which the site is located is entrusted with making a final decision on the proposal. The bill seeks to overturn the intent of federal law.

Presently, to put land into trust for gaming purposes, a Tribe must successfully navigate a series of obstacles to obtain the ability to operate a legal and legitimate business. If a Tribe wishes to build an off-reservation Indian gaming facility with a physical imprint size of a standard department or home-improvement store, the Tribe must complete a full, federal environmental impact statement and negotiate an Intergovernmental Agreement that compensates local and state governments for lost tax revenue several times the normal tax rate instead of negotiating a typical property tax break that most commercial ventures are entitled. It must turn the normal American model of free and fair compensation on its head and answer to questions about the effect the venture might have on the existing local business climate and the financial impact on gaming operations of other tribes. Also, instead of the time-honored tradition of voluntary philanthropy, Tribes must often contract to contribute to charitable trusts and to compensate charitable organizations for lost revenue. Tribes must navigate the waters outlined here to garner an off-reservation gaming operation. Yet, additionally, Tribes must also pay large amounts of money to the State for the privilege of having the exclusive

market only to see thousands of untaxed, unregulated, and unchallenged, illegal slot machines flourish in bars, taverns and gas stations throughout the cities and towns of Wisconsin. Finally, Tribes must obtain the permission of the local government, county government, state government and federal government to build an off-reservation gaming facility. No other business must navigate these same obstacles in order to start up or build a business. Assembly Bill 205 simply adds yet another layer to this already overburdened process.

Negotiating with multiple parties is a very difficult task. Adding 132 more negotiators to the mix with competing agendas is asking for the impossible. However, that is the aim of AB 205: Making it impossible to take land into trust for a legal, legitimate business venture. What other legal and legitimate business must endure such hopeless bureaucracy? The answer is none. Not even other forms of gaming in Wisconsin face such scrutiny and process. Once a facility is operational, it is regulated at the federal, state and tribal level. Process, oversight and control are the watchwords in Indian gaming. Where are the pro-business principles that our Republican friends champion? Are these principles different when Indian gaming is involved?

Indian gaming benefits the State of Wisconsin in countless ways: jobs, increased state and local revenue, tourism, taxes. Indian Tribes give more to Wisconsin than they ask of it. Indian gaming is a welcome business venture in so many Wisconsin towns. Please ask yourselves whether AB 205 is necessary. I urge you to vote against Assembly Bill 205. It is not only unnecessary; it is anti-competitive and overburdens an already burdensome process. It is bad for business and bad for Wisconsin.

In summary, the Bad River Band opposes AB 205 for the following reasons:

- The Bad River Tribe has invested significant time and money into the Beloit Project that would be essentially wasted should AB 205 become law.
- AB 205 creates a conflict between state and federal law that will be likely be challenged in court.
- No procedures, rules or regulations are specified on how the legislature will frame the approval process. It will be nearly impossible for 132 individuals to negotiate an approval process.

- The City of Beloit and Rock County, Wisconsin have spoken. Voters have overwhelmingly approved a referendum indicating their approval for the project.
- The Beloit Project, both during construction and after completion, will benefit southern Wisconsin with an enormous amount of jobs and even greater amount of state revenue.



City of
BELOIT, Wisconsin

CITY MANAGER • CITY HALL • 100 STATE STREET • BELOIT, WI 53511

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April 2, 2007

Representative Mark Gottlieb, Chair
Committee on Urban and Local Affairs
P.O. Box 8952
Madison, WI 53708

RE: AB205 Amending the Approval Process for Off-Site Indian Gaming Facilities

Dear Representative Gottlieb:

I want to again express the city's strong opposition to AB205, which would substantially alter the State's portion of the approval process for off-reservation Indian gaming facilities.

The current procedure required for approving such a facility is both arduous and expensive. The two Chippewa Tribes attempting to obtain such a permit for a facility in the City of Beloit have been engaged in this process since 2000, as will be explained later in this correspondence. The Indian Gaming Regulatory Act already provides for the Governor's concurrence, even for meritorious applications that have been scrutinized and approved by the Federal government. There is absolutely no reason why the rules should be changed at this late stage in the application process.

The Beloit Casino application was actually begun in the spring of 1999, originally with members of the Bad River Band of the Chippewa Nation, and subsequently with the St. Croix Tribe, also of the Chippewa Nation. Both Tribes came together in a partnership to make application to the U.S. Bureau of Indian Affairs for an off-site gaming casino, located along Interstate 39/90 within the corporate limits of the City of Beloit.

In November of 2000, an advisory referendum was held which resulted in 61% of the City's population voting in the affirmative to support the casino application. Since 2000, each successive City Council has unanimously approved a resolution supportive of the casino project. During the public comment period on the Draft Environmental Impact Statement, which included a public hearing plus a period to receive written comments, the BIA received 280 positive comments, with only 10 negative responses. The positive response rate of 28:1 was a further articulation of the community's positive reaction to the location of an offsite Indian gaming facility within the City.

Rep. Mark Gottlieb
April 2, 2007
Page 2 of 2

The Federal Bureau of Indian Affairs has carefully and thoroughly scrutinized this application, including the full Environmental Impact Statement currently under review by the central office of the Bureau of Indian Affairs. The Beloit application has already received a positive recommendation at the Regional office in Fort Snelling, Minnesota. In addition to the technical and environmental qualifications, this application is also strong because economic hardships in the community created by changes in the nation's manufacturing economy, combined with the economic needs of these two Tribes of the Chippewa Nation meet the intent of the Indian Gaming Regulatory Act for approving an off-reservation facility.

I would hope the Committee on Urban and Local Affairs would concur that seven years is enough time to carefully review and evaluate an application of this nature. The placement of additional impediments in the process are unnecessary and unfair to both the Tribes and the City that have, in good faith, followed the rules and standards established by the Indian Gaming Regulator Act.

Sincerely,



Larry N. Arft
City Manager

C: Martin Densch, Council President
Beloit City Councillors
Senator Judy Robson
Rep. Chuck Benedict
Rep. Kim Hixson
Joe Hunt, Beloit Casino Project

ROCK COUNTY, WISCONSIN

Rock County Board of Supervisors
51 South Main Street
Janesville, Wisconsin 53545
Phone: 608/757-5510
Web Site: www.co.rock.wi.us

March 28, 2007

Rep. Mark Gottlieb
Chair, Urban Affairs Committee
P.O. Box 7863
Madison, WI 53707

RE: AB 205

Dear Rep Gottlieb:

The purpose of this letter is to express my opposition to AB 205. The proposed legislation inserts the Legislature in the decision making process for off-reservation gaming facilities. It creates an unnecessary and additional layer of review before both houses of the Legislature. I believe the AB 205 presents an impediment to the Beloit Casino project.

The St. Croix and Bad River Tribes have spent eight years and several million dollars in land options, studies, and staff time on this project. Rock County and the City of Beloit have a 10-year \$145 million revenue sharing agreement with the Tribes. The City of Beloit and the Tribes have invested significant time and effort in a gaming application dated July 30, 2001 that is now moving through the U.S. Department of the Interior. All of this is at risk due to a proposed 11th hour change in the rules due to the desire of the Legislature to insert itself into the approval process.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard K. Ott", is written over a horizontal line.

Richard K. Ott
Rock County Board Chair

Larry N. Arft, Beloit City Manager
Rock County Legislative Delegation
Eugene Bigboy, Bad River Tribal Chairman
David Merrill, St. Croix Tribal Chairman
Joe Hunt, Beloit Casino Complex

COMMENTS IN OPPOSITION TO AB 205

Submitted by Joseph Hunt, Oconomowoc

April 3, 2007

I am in opposition to AB 205 for the following reasons:

---- the power to negotiate a compact with a Native American Tribe is expressly granted to the Governor by the Indian Gaming Regulatory Act (IGRA), this bill violates that mandate. This bill would allow a majority opposition political party to stall and delay an already intense and time consuming process. Beloit and the Tribes have been following the rules for six years – this bill changes the rules.

---- the elected leadership in Beloit invited the Tribes and at the request of the voters put together a deal that works for this community. Our deal includes fair payment for services from the Tribes, help for problem gamblers, a preference for local contractors, charitable contributions, facility inspections, and more. The last thing we need is to get caught in the middle of a struggle between the Governor and the Legislature.

---- this is a pro business proposal, it's not just a casino, it's a hotel, convention center, theatre, water park, restaurants and other businesses...

---- the city of Beloit and Rock County and the Tribes have forged a unique partnership. This bill would make an already tough process even tougher. A full environmental impact study has been done and shows that this is a project that will work not just for the Tribes but for Beloit and Wisconsin. It worked in Milwaukee with the Pottawatomi, we know it will work in Beloit.

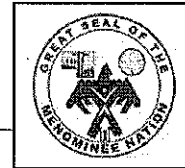
---- when the Beloit casino project is complete, 3000 taxpayers will be cashing their paychecks in the Beloit area. Hundreds of Wisconsin vendors will be positively impacted.

----the current process for putting land into trust goes to great lengths to insure that any proposed project is not only good for the Tribes but also makes sure that it is not detrimental to the local community. The community is saying that they want this project. The studies show that this is a very good project. The Bad River and the St. Croix need the project. The Governor will have all of the information he needs to make a decision on this development. AB 205 will just delay and could actually stop approval this project.

---I urge you to vote no on this unnecessary bill.

Thank you.

The Menominee Indian Tribe of Wisconsin



FOR IMMEDIATE RELEASE
April 3, 2007

FOR MORE INFORMATION:
Evan N. Zeppos
414-276-6237 or 414-491-6610

STATEWIDE SURVEY SHOWS REGISTERED VOTERS OPPOSE POTAWATOMI EFFORT TO KILL KENOSHA CASINO BY 4 – 1 MARGIN

* * *

March Checkpoint Survey says 70 percent think it's unfair for Potawatomi to stop Kenosha competition

* * *

Nearly two-thirds of Milwaukee-area voters reject Potawatomi efforts

MILWAUKEE – A new statewide survey of registered voters shows that 70 percent of the public thinks it is unfair for the Forest County Potawatomi Community to try to use its influence to stop the Menominee Indian Tribe from building its proposed Kenosha entertainment center and casino.

According to the March Wisconsin Checkpoint Survey conducted by Wood Communications Group, less than 17 percent of the voting public thinks it is fair for a small, wealthy tribe with a lucrative Milwaukee casino to try to stop a large, poor tribe from building a competing casino in Kenosha. The survey showed 13 percent of respondents had no opinion.

"It appears the only ones fooled by the Potawatomi's multimillion-dollar campaign to kill Kenosha competition are the Potawatomi members themselves. The public doesn't buy it, and there is a very strong attitude among the voting public that the Potawatomi effort is unfair," said Lisa Waukau, Chairwoman of the Menominee Indian Tribe of Wisconsin. "Legislators should weigh these important results as they consider any efforts that would harm not just the Menominee and Kenosha, but also the state of Wisconsin and the thousands of people, including many from Milwaukee, who would be employed at the new casino and entertainment center.

"One of the smallest and richest tribes in the state is spending millions to hurt the families, children and members of one of the largest and poorest tribes in Wisconsin," she added.

According to the survey, opposition to the Potawatomi effort is strong statewide, and is nearly two-thirds – 62 percent – in Southeast Wisconsin, where the Potawatomi's off-reservation Menomonee Valley casino is currently being expanded. In Northcentral Wisconsin, nearly 9 out of 10 residents – 89 percent – thought the Potawatomi opposition was unfair, and nearly 8 out of 10 registered voters – 79 percent – in the Westcentral part of the state felt the same way.

-- more --

ADD ONE / PUBLIC OPPOSES POTAWATOMI EFFORT

In addition, the survey found nearly identical bipartisan opposition to the Potawatomi's effort to try to kill the Kenosha project. The Checkpoint research showed 77 percent of those identifying themselves as "mostly Democrat" and 73 percent who described themselves as "mostly Republican" believed that it is unfair for the Potawatomi to try to kill the Kenosha project.

Further, when measured across age groups, gender and income, opposition to the Potawatomi effort remained above 60 percent in all cases.

"The Potawatomi message isn't playing in Milwaukee. It isn't playing in Madison. And it's not playing in Marinette," Waukau said. "It's time for the Potawatomi to end its multi-million dollar political assault against the Menominee Nation. Everyone knows that the Potawatomi effort is only aimed at preserving a monopoly, and it's clear the public is not buying the Potawatomi's expensive political rhetoric."

The survey was conducted from March 27 – 29, 2007, and had a sample size of 400 registered voters with a margin of error of +/- 5 percent.

The Menominee Indian Tribe has about 8,300 enrolled members, while the Potawatomi has about 1,200. According to published reports, the median family income for a Potawatomi family is more than \$137,000, while the median income for a Menominee family is about \$26,000.

Waukau noted that in addition to the hundreds of millions of dollars that would be paid to the City of Kenosha, the County of Kenosha, the Kenosha Unified School District and various non-profit groups if the project is approved, the State of Wisconsin also would receive more than \$2 billion over a 25-year period. That is more than any other tribe pays the State, including the Potawatomi.

"During the past few years, the Potawatomi has had more than a dozen lobbyists combing the halls of Madison and Washington, D.C., and waged a multimillion-dollar campaign against the people of the Menominee," Waukau said. "We call upon the Potawatomi to lay down their economic and political arms and work as one Indian people for the betterment of both tribes and the state of Wisconsin."

With more than 8,300 members, the Menominee Indian Tribe of Wisconsin is one of the state's largest Indian tribes and also one of its poorest. The Tribe, which was terminated by Congress in 1954 and restored in 1973, is still struggling financially to overcome that devastating period in its history.

In order to provide for the significant health care, educational and other needs of its members, the Menominee Indian Tribe of Wisconsin announced plans to build an \$808 million entertainment center and casino at Kenosha's Dairyland Greyhound Park in January 2004. Economic analyses show the project would create more than 3,000 jobs and pay state and local government over \$2 billion – more than any other Indian tribe or Wisconsin business – over the facility's first 25 years of operation.